

Managing In Chaotic Times, The Buck Stops With You – So What's Your Plan?

By Jonathan Koshar

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Everything peachy keen? Aces? Just great? Really?

Then you're probably not a business owner. Not today. Not in this economy. Even if you're keeping your head above water, things are changing too fast to be sure that you have everything under control unless you plan---and manage to that plan.

Not everyone who owns or runs a business reports to a board or has a management team of seasoned professionals wearing nice suits and flashing Ivy League degrees. Not everyone who sits in the corner office is surrounded by well paid advisors – especially if the corner office is the den. That being said, these entrepreneurs still have a responsibility for the bottom line, growing the business, outlasting the economy, and making payroll.

My father always told me two things: The first, “if you fail to plan, you plan to fail”. The second, “get out of the way, I can't see the TV”. Let's talk about the first one. There is a world of experts who will tell you how to write your business plan early on, either before launching or funding. But now that you're operating, that same business plan is dangerously outdated.. The simple secret many owners don't know or won't adhere to is that you need to write and constantly fine-tune your business plan---manage to that plan, and drive your business in a proactive, not a reactive way. Let me show you what I mean:

Proactive not reactive – Your business day is flying at slightly illegal speeds and along winding routes. You wonder exactly what you're accomplishing. You're so busy worrying about the daily operations, you don't have time to fix the leaks in the dam. Your days are filled with unplanned meetings, people who say things like, “got a minute?” when they really mean twenty; “upset customers calling to complain or cancel; and flashes you've just missed your child's science fair presentation. At night you wonder, “What's happening to my business?” It feels like chaos because it is. So stop. Dedicate just a little time to laying out a plan. A single day of organized, intentional planning, will help you find one or all of the following:

- A solution to a problem that was about to run you over
- A new process that will save you customers
- A simpler organizational structure that will smooth communication
- A marketing strategy that will bring you new customers
- An answer to the chaos
- A vacation

Get serious about this and you'll see serious results.

How to build the plan - Build is as if you have to present it. Not to the mirror. To trusted advisors and make sure it covers all of the key information. Break it up logically:

Financial

- Income statement
- Balance sheet
- 18 month cash forecast
- 5 year plan

Operations

- Sales and marketing
- Production or service statistics
- Other operation metrics or measurements
- Customer satisfaction

Other

- Legal
- Human Resources
 - o Employee satisfaction
 - o Employee attrition
- Public Relations
- Etc.

Of course it varies by business.

Act like you have a board of directors –

Plan a meeting once a quarter, at a minimum. Create an advisory board. Your attorney, CPA, investors, the friend that got you into this business, an old mentor or boss, a spouse, your team, a group of customers, a vendor – anyone whom you trust for an honest opinion. Anyone that wants to see you succeed. This first presentation may leave you a little embarrassed and torn-up, but that's okay. Soul searching when useful, is usually painful. Now, revise that plan and start tracking against it: Customers, revenues, revenues per customer, financials, employees, sales, expenses, and so on. You probably have this information already, you just need to line it up against your plan. You should be tracking high impact items such as financials every month, and ops metrics as appropriate (depends on your business). Then, present it again. If it makes sense to wait until the next quarter, great. But if you notice anything whacky is going on and if you can't figure it out – time to talk to your advisory board sooner rather than later.

Scale the mountain one step at a time –

Some things are bigger than a hike. Let's take it one step at a time. Get into a rhythm of measuring, tracking, and presenting. It's fine if the initial plan is simple and then you add a metric or two as you go. It's okay if it's high level and then as time goes on you get deeper into the organization and data. Strive to continuously improve your business. Don't feel like you have to build a planning machine if simple information will tell you a lot. The more you focus on this information the more results you will get. One of my mentors says, "facts are our friends". Don't be afraid of what the data tells you. Challenge it. Make sure it's right. Commit to what it tells you. Take action and continuously plan and re-plan, measure and re-measure.

I told my six year old son about this article and he said "It is like when the pirates are looking for the treasure but they don't have a map." I said, "Right! Now get out of the way, I can't see the TV."

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